

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO, *et al.*,
Debtors.¹

PROMESA
Title III
No. 17 BK 3283-LTS
(Jointly Administered)

**REPLY OF PUERTO RICO SALES TAX FINANCING
CORPORATION TO RESPONSE FILED BY CLAIMANT
FUNERARIA SHALOM MEMORIAL, INC. TO EIGHTEENTH
OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO DEFICIENT CLAIMS**

The Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as COFINA’s representative pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² files this reply (the “Reply”) to the *Response to Puerto Rico Sales Tax Financing Corporation’s Eighteenth Omnibus Objection to Deficient Claims to the Honorable Court* [ECF No. 5034] (the “Response”), filed by claimant Funeraria Shalom Memorial, Inc. (the “Claimant”) to the *Puerto Rico Sales Tax Financing Corporation’s Eighteenth Omnibus Objection (Non-Substantive) to Deficient Claims* [ECF No. 4504] (the

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

“Eighteenth Omnibus Objection”). In support of this Reply, COFINA respectfully represents as follows:

1. On December 19, 2018, COFINA filed the Eighteenth Omnibus Objection, seeking to disallow in their entirety four (4) deficient proofs of claim (the “Deficient Claims”), as listed on Exhibit A thereto. As set forth in the Eighteenth Omnibus Objection, each of the Deficient Claims fails to provide a basis for asserting a claim against COFINA (or any of the other Title III debtors), either by failing to provide any support for asserting a claim, or by stating in the proofs of claim and/or supporting documentation that the claimant had no claim or that the claim was against an entity other than COFINA or any of the other Title III debtors. Pursuant to the Court-approved order, any party who disputed the Eighteenth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on February 1, 2019.

2. On February 1, 2019, the Claimant filed the Response to the objection to Claimant’s proofs of claim filed against COFINA on June 29, 2018, and logged by Prime Clerk as Proofs of Claim Nos. 126061, 129856 and 141489 (the “Claims”). See Eighteenth Omnibus Objection, Exhibit A, Lines 2, 3, 4. The Response included documentation of a UBS account in which Claimant purports to hold bonds issued by COFINA bearing CUSIP number 74529JFF7.

3. That CUSIP number is listed on a master proof of claim filed by the Bank of New York Mellon on behalf of holders of COFINA bonds, which was logged by Prime Clerk as Proof of Claim No. 31920 (subordinate bonds), as a Series 2008A bond. Therefore, Claimant’s assertion of liability associated with a bond issued by COFINA bearing CUSIP number 74529JFF7 is duplicative of liability asserted by a master proof of claim.

4. As the Court is well aware, the *Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* (the “Plan”) [ECF No. 4652] was confirmed by the Court on February 4, 2019. *See Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5048]. On February 5, 2019, the Court issued an *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5055] (the “Amended Order”). The Plan became effective on February 12, 2019, when the conditions set forth in Section 25.1 of the Plan were satisfied. *See Amended Order at 20.* Distributions have been made to holders of Bond Claims pursuant to Article XIX of the Plan.³ Consequently, each of the claimants, to the extent they are holders of a Bond claim and are listed on the records of the Depository Trust Company, have received distributions on account of their claims against COFINA. Allowing Claimant’s duplicate Bond Claim will result in Claimant potentially receiving an unwarranted double recovery against COFINA, to the detriment of other stakeholders in COFINA’s Title III Case. Claimant will not be prejudiced by the disallowance of his claim because the liabilities associated with his claim are subsumed within the master proofs of claim.

5. The documentation submitted by Claimant also identifies bonds issued by other entities, including the Puerto Rico Public Financing Corporation (“PFC”), the Government Development Bank (“GDB”), the Commonwealth of Puerto Rico (“Commonwealth”), the Employees Retirement System (“ERS”), the Puerto Rico Industrial, Tourist, Educational, Medical, and Environmental Control Facilities Financing Authority (“AFICA”), and the Puerto Rico

³ Section 1.44 of the Plan defines a “Bond Claim” as a “Claim on account of a ‘Senior’ or ‘First Subordinate’ Existing Security issued by COFINA” *See Plan at 6.*

Aqueduct and Sewer Authority (“PRASA”). With respect to bonds purportedly issued by the PFC, GDB, and PRASA, those entities are public corporations and instrumentalities of the Commonwealth. AFICA is a public corporation that is affiliated with GDB. COFINA, however, is a separate public corporation and instrumentality that issues its own bonds. It does not guarantee or otherwise insure payments on bonds issued by the PFC, GDB, PRASA, or AFICA.

6. With respect to bonds purportedly issued by the Commonwealth and ERS, such claims are properly asserted, if at all, against those particular Title III Debtors. Claimant has provided no valid legal justification for asserting a claim against COFINA in respect of bonds issued by the Commonwealth or by ERS.

7. Accordingly, COFINA respectfully requests that the Court grant the Eighteenth Omnibus Objection as to the Deficient Claims.

Dated: March 6, 2019
San Juan, Puerto Rico

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2019, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification to all counsel of record, and all CM/ECF participants in the case.

/s/ Hermann D. Bauer
Hermann D. Bauer